
FEHB Program Carrier Letter

All Carriers

U.S. Office of Personnel Management
Insurance Services Program

Letter No. 2003-25

Date: August 13, 2003

Fee-for-service [24] Experience-rated HMO [24] Community-rated HMO [23]

SUBJECT: Revised FEHB Quality Assurance and Fraud and Abuse Reports

Earlier this year, we informed you of our intent to revise the Quality Assurance (QA) and Fraud and Abuse (F&A) reports. This letter contains both of these revised reports. Although we will not be implementing the new reports until 2004, we are sending advanced copies of the reports for your planning purposes.

QA Report

The current report was instituted in 1994 and needs to be updated to reflect current industry standards. The new QA report looks similar to the old report with the exceptions of a new measure added under the telephone access standard and changes in the timeframes for existing measures. Additionally, we have changed the due date of this annual report from January 1 to July 1. (It will continue to cover the same reporting period, which is the prior calendar year.) The following changes have been made to the report and will be reflected in the 2004 contracts:

- The standard for claims timeliness of payments to members or providers has been revised. The standard has the same measure for all plans and expected adjudication within 30 working days.
- Telephone Access – Call Answer Timeliness has been reduced to no more than 30 seconds from the time a person selects Member Option to when that person is connected with a live voice. Initial Call Resolution is a new standard which measures the percentage of issues resolved during the initial call and is set at 60%. We changed the measures for telephone blockage rate from 10% to no more than 5%. Similarly, we changed the call abandonment rate from 8% to no more than 5%.
- Quality of Services and Responsiveness to Members – The standard for Written Inquiry Response Time has been revised to state that 90% of all written inquiries should be responded to within 15 working days. We added internet inquiries to this measure.

All other QA Report measures remain the same as outlined in Section 1.9 of our contract.

F&A Report

As referenced in carrier letters 2002-01 and 2003-23, we're implementing the 3rd stage of our F&A strategy, Enhancing Systematic Reporting Requirements. As part of this strategy, we revised the existing semi-annual F&A Report. We moved it to an annual report that ties into our

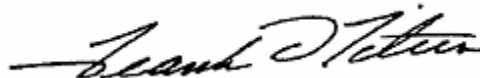
calendar year negotiating and contracting process. Additionally, we have changed the due date of this annual report to March 31st and it will cover the preceding calendar year. A checklist of the Industry Standards published in Carrier Letter 2003-23 is included with the new F&A Report. Please complete the checklist and send it to Tanya Morrow at tmmorrow@opm.gov by August 20, 2003. This list will tell us where you are in terms of implementing these standards. We will work with you to implement those fraud and abuse program components that are not already in place.

The 2004 contract and F&A Report will now include collecting the following information:

- Cases Opened – only cases opened within report period
- Total Dollars Identified as Loss – total dollar amount verified as a loss
- Total Dollars Recovered – dollars actually received
- Actual Savings – dollars saved due to a claim rejection, prepayment review, etc.
- Projected Savings – calculated based on the amount of loss that would have been incurred had the fraudulent conduct not been stopped due to anti-fraud efforts – 12 month period
- Number of Cases referred to Law Enforcement – total cases referred to local, state, or federal law enforcement agencies
- Number of Cases Resolved through negotiated settlement – cases resolved via settlement negotiation
- Number of Arrests – number of cases that resulted in an arrest
- Number of Criminal Convictions – number of cases that resulted in criminal convictions

We hope these changes reflect the continued commitment we have to providing quality services to our enrollees and will encourage you to perform at greater levels of satisfaction. If you have any questions, contact Tanya Morrow at (202) 606-0745 or tmmorrow@opm.gov.

Sincerely,



Frank D. Titus
Assistant Director
For Insurance Services Programs

Attachments

- 2004 Quality Assurance Report
- 2004 Fraud and Abuse Report